



BEAUMONT-CHERRY VALLEY WATER DISTRICT
560 Magnolia Avenue, Beaumont, CA 92223

MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING
Thursday, June 6, 2024 at 3:00 p.m.

CALL TO ORDER

Chair Hoffman called the meeting to order at 3:08 p.m.

Attendance

Directors present:	Director Hoffman and Director Williams
Directors absent:	None
Staff present:	General Manager Dan Jagers Director of Information Technology Robert Rasha Director of Operations James Bean (3:18 p.m.) Finance Manager William Clayton Management Analyst II Erica Gonzales Management Analyst I Edith Garcia Customer Service Supervisor Sandra Delgadillo Administrative Assistant Cenica Smith
Members of the public:	None

PUBLIC COMMENT: *None.*

ACTION ITEMS

1. Adjustments to the Agenda: *None.*
2. Review and Acceptance of the Minutes of the Finance and Audit Committee

The Committee accepted the minutes of the May 2, 2024 meeting by the following vote:

MOVED: Williams	SECONDED: Hoffman	APPROVED 2-0
AYES:	Hoffman, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

3. Receive and file the Check Register for the Month of April 2024

The Committee received and filed the Check Register as presented by the following vote:

MOVED: Williams	SECONDED: Hoffman	APPROVED 2-0
AYES:	Hoffman, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

4. Financial Reports/Recommendations

- a. Review of the April 2024 Budget Variance Reports
- b. Review of the April 30, 2024 Cash and Investment Balance Report
- c. Review of Check Register for the Month of May 2024
- d. Review of May 2024 Invoices Pending Approval

Chair Hoffman asked about potential grant revenue. Mr. Clayton reported that the final draw against the \$1.5 million for the AMR/AMI project was approximately \$400,000 and should be delivered to the District next week and will likely show up in the June report. This caps out the federal funding for the project.

Interest income received over a four-month period is at almost 48 percent of the projected amount, Chair Hoffman observed.

Non-operating revenue is at 3 percent of what is budgeted for the year, Hoffman noted. Mr. Jagers reminded that this is funds received from developers: development has not come forward as had been projected.

Staff highlighted and/or responded to committee inquiries about the following items:

- *Cost of electricity for wells of \$137,803. Since a couple of wells are out of service, others are being run to make up that production. The cost is consistent for this time of year. Edison costs are increasing but electricity is expected to be tracking on budget*
- *Well 15 was being flushed and water had been crossing Cherry Valley Boulevard*
- *Increase in total investment of \$350,277 due to interest earned*
- *Chandler Investment Portfolio shows revenue of \$138,000 for the month of April. General interest was budgeted at \$1.2 million, and earnings are currently approximately \$937,000*
- *Production is down about 1,000 acre-feet from the long-term running average and 1,600 af under last year*
- *There is a small amount in the hundreds of dollars budgeted for elections in 2024, but the majority of election expenses are budgeted in 2025 as the costs take six to nine months to aggregate. Two divisions are up for election in 2024*
- *B-81 Paving: Two main line leaks, three service line leaks and a pothole were experienced in Cherry Valley*
- *Director Williams requested to see the most recent reports from Babcock Laboratories. Director of Operations Bean will review them with the Director*
- *B-81 Paving: Service line repair in Highland Springs – gated community*

- *Sod-Service Repair: Related to a service line retrofit and having to dig up a consumer's yard*
- *Gray rock / gravel for Noble Creek Recharge Facility Phase II dust control (Air Quality Management District - AQMD) totaling \$6,896. Recycled rock may be less expensive, but gravel is more durable*
- *Temporary asphalt patch*
- *Riverside County Flood Control Payment #3 for MDP Line 16 (\$1.7 million) provides for the complete cost without grant funds. Paid in full per the agreement approved by the Board and will receive reimbursement of approximately \$610,000. The Director of Engineering is tracking. Chair Hoffman asked for notification when the funds are received*

General Manager Jagers reported that the Cooperative Agreement (related to paving standards) with the City of Beaumont looks favorable. There are 30 to 40 patches within the City that will be done as a batch.

Mr. Jagers advised the Committee of a request for increase in legal services rates from Richards, Watson & Gershon. The firm has not raised rates in several years. It will be agendized for the Engineering Workshop.

The Committee recommended presenting Items 4a through 4d to the Board for approval by the following vote:

MOVED: Williams	SECONDED: Hoffman	APPROVED 2-0
AYES:	Hoffman, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

5. Expense and Per Diem Compensation Claims Submitted for Approval

Mr. Jagers reminded that this item is a receive and file, not an approval. The claims have already been paid: they are paid upon submittal if they are within policy. Any discrepancies or concerns are brought to the Board as provided by policy.

The Committee reviewed the Expense and Per Diem Compensation Claims. The claims were approved by the following vote:

MOVED: Williams	SECONDED: Hoffman	APPROVED 2-0
AYES:	Hoffman, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

6. Policy Tracking Matrix Progress Template

Finance Manager Bill Clayton presented the Policy Matrix and explained that policies financial in nature will be coming forward to the F&A Committee for review. Director Williams requested specific identification of which policies would come to the Committee.

Mr. Clayton noted the Purchasing Policy needs updating, and Mr. Jagers requested consideration of increasing the General Manager's purchasing authority limits due to inflation, and the amounts required to go to bid. Mr. Clayton indicated that all thresholds are being looked at.

7. Update: BCVWD 2025 Operational Budget Timeline

Finance Manager William Clayton introduced the timeline of meetings and activities related to Board approval of the FY 2025 budget. He pointed out the special meeting of the F&A Committee suggested for October 17 to address the Budget. Mr. Jagers reviewed key dates and actions.

8. Quarterly Report: Review of District Contract Expenditures in Fiscal Year 2024

Mr. Clayton noted this report was presented at the last meeting, and is presented again as an audit identified some needed updates. These figures are through March 2024. Once an item is closed out, it is removed from the report. The next quarterly report will come to the Committee again in August.

9. Action List for Future Meetings:

- Chandler Asset Management update
- Request for Proposal for Banking Services update
- Information on the Low-Income Household Water Assistance Program (LIHWAP)
- ~~Selection of the 2025 to 2030 Rate Study Consultant~~
- Impacts of "Making Conservation a California Way of Life" regulations
- Policies to be reviewed

ANNOUNCEMENTS

Chair Hoffman pointed out the following announcements:

- Regular Board meeting: Wednesday, June 12 at 6 p.m.
- Personnel Committee meeting: Tuesday, June 18 at 5:30 p.m.
- Engineering Workshop: Thursday, June 27 at 6 p.m.
- Finance & Audit Committee meeting: Wednesday, July 3 at 3 p.m. (Note date change due to holiday)
- Collaborative Agencies Committee meeting: Wednesday, July 3 at 5 p.m.
- District office will be closed on Thursday, July 4 in observation of Independence Day
- Beaumont Basin Watermaster Committee: Wednesday, July 10 at 11 a.m.
- San Geronio Pass Regional Water Alliance: Wednesday, July 24 at 5 p.m.

Mr. Jagers noted that the Ad Hoc Bogart Park Committee would meet on June 10 at 4 p.m.

ADJOURNMENT: 4:09 P.M.



David Hoffman, Chairman
to the Finance and Audit Committee of the Beaumont-Cherry Valley Water District